



0000158649

RECEIVED

Arizona Corporation Commission

DOCKETED

DEC 11 2014

2014 DEC 11 P 3:54

ARIZONA CORPORATION COMMISSION
DOCKET CONTROL

DOCKETED BY

FENNEMORE CRAIG, P.C.
Jay L. Shapiro (No. 014650)
2394 E. Camelback Road, Suite 600
Phoenix, Arizona 85016
Telephone (602) 916-5000
Attorneys for Tonto Basin Water Co., Inc.

BEFORE THE ARIZONA CORPORATION COMMISSION

IN THE MATTER OF THE APPLICATION
OF TONTO BASIN WATER CO., INC., AN
ARIZONA CORPORATION, FOR A
DETERMINATION OF THE FAIR VALUE
OF ITS UTILITY PLANTS AND
PROPERTY AND FOR INCREASES IN ITS
WATER RATES AND CHARGES FOR
UTILITY SERVICE BASED THEREON.

DOCKET NO: W-03515A-14-0310

**REQUEST TO MODIFY
PROCEDURAL SCHEDULE****ORIGINAL**

Tonto Basin Water Co., Inc. ("Tonto Basin" or the "Company") hereby requests modification of the procedural schedule set forth in the Procedural Order issued on November 7, 2014.

I. BACKGROUND

Prior to filing a rate application, Tonto Basin met with Commissioners and Staff to discuss the then pending utility classification changes, and to seek support for use of the short form of rate application used by Class D and E utilities. It was the Company's hope that, given its small size and the simplicity of its rate request, it could avoid the costly and time-consuming steps of pre-filed testimony, hearings and briefing, and thereby reduce rate case expense. The Company filed its application using the short form on August 22, 2014, and Staff found it sufficient on October 10, 2014.¹ With Staff's consent, the Company mailed notice on September 16.²

¹ In its Sufficiency Letter dated October 10, Staff did indicate that the Company would be subject to a Class C procedural schedule. However, that was before the Commission finalized and approved the change to utility classifications, under which the Company is a Class D Water Utility. See *Rulemaking to Modify A.A.C. R14-2-103 to Update the Utility Classifications*, Decision No. 74810 (Nov. 13, 2014).

² See 10/7/2014 Response/Reply to a Data request, Deficiency Item 3.

1 The Company is small, with only 911 customers, and its application is
2 straightforward – it does not include any requests for financing or post-test year plant.
3 Furthermore, the Company is actually now a Class D water utility with test-year revenues
4 of approximately \$300,000 under the new rules recently adopted by the Commission on
5 November 13, 2014. In fact, under amended Arizona Administrative Code (A.A.C.)
6 Title 14, Chapter 2, Article 1, R14-2-103 (“Rule 103”) Tonto Basin falls \$700,000 short
7 of the threshold for C companies.³

8 Undoubtedly, the Commission believes smaller water utilities, like Tonto Basin,
9 require a more truncated and less costly process for setting rates. The changes to
10 Rule 103 are clearly meant to aid the smaller Arizona utilities with fewer resources by
11 allowing them to file basic financial information instead of multiple rounds of testimony,
12 legal briefs, and other documents. And certainly the Commission has broad authority to
13 establish the procedure for processing Tonto Basin’s rate application.

14 **II. RELIEF REQUESTED**

15 The Procedural Order in this matter requires pre-filed testimony by the parties,⁴
16 a formal hearing (scheduled for April 20, 2015), and related proceedings including public
17 notice. It also set a date for additional public notice and an intervention deadline of
18 January 15, 2015.⁵ But, for example, the Company clearly did not contemplate pre-filed
19 testimony when it filed a short form application seeking only \$18,000 in rate case
20 expense. Accordingly, the Company asks that the procedural schedule be modified as
21 follows: (1) eliminate the dates and requirements for prefiled testimony; (2) eliminate the

22
23 ³ Decision No. 74810, Exhibit A at 8.

24 ⁴ The Company notes that it did not pre-file direct testimony, which typically precedes a
direct testimony filing by Staff.

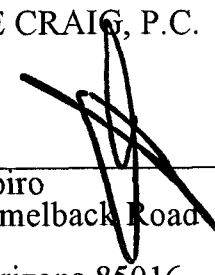
25 ⁵ The deadline for publication/mailing of the notice was November 28. Procedural Order
26 at 8:1-3. The Company was confused about the additional notice requirement as it had
already notified customers of the application, and gave information on intervention.

1 requirement for a second public notice; and (3) provide all parties an opportunity to
2 request a procedural conference should the parties later determine that issues in dispute
3 require a different procedural schedule. In the alternative, Tonto Basin asks that a
4 procedural conference be scheduled so the parties and judge can discuss the appropriate
5 procedural schedule for a small, now Class D water company, that has filed a short form
6 application for new rates.

7 RESPECTFULLY SUBMITTED this 11th day of December, 2014.

8 FENNEMORE CRAIG, P.C.

9
10 By


11 Jay L. Shapiro
12 2394 E. Camelback Road
13 Suite 600
14 Phoenix, Arizona 85016
15 Attorneys for Tonto Basin Water Co., Inc.

16 **ORIGINAL** and thirteen (13) copies
17 of the foregoing were filed
18 this 11th day of December, 2014, with:

19 Docket Control
20 Arizona Corporation Commission
21 1200 W. Washington Street
22 Phoenix, AZ 85007

23 **COPY** of the foregoing was hand delivered
24 this 11th day of December, 2014, to:

25 Teena Jibilian, ALJ
26 Hearing Division
Arizona Corporation Commission
1200 W. Washington Street
Phoenix, AZ 85007

Brian E. Smith
Legal Division
Arizona Corporation Commission
1200 W. Washington Street
Phoenix, AZ 85007

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26

COPY of the foregoing was mailed
this 11th day of December, 2014, to:

Gary and Margaret Lantagne
Tonto Creek Trail RV Park, Inc.
P.O. Box 669
Tonto Basin, Arizona 85553

By: 
9787186.1/091392.0004